

CITY COUNCIL AGENDA REPORT

SUBJECT: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALEXICO AMENDING CHAPTER 5.20.020 "UNSPECIFIED BUSINESSES" TO SET THE BUSINESS LICENSE TAX RATE FOR UNSPECIFIED BUSINESSES, INCLUDING HOME OCCUPATIONS

AGENDA DATE: November 18, 2008

PREPARED BY: Ralph Velez, City Manager

APPROVED FOR AGENDA BY: Ralph Velez, City Manager



RECOMMENDATION: Introduce ordinance by way of title only, waive full reading of the ordinance.

FISCAL IMPACT: Increased business license revenues to the City.

CURRENT DISCUSSION: The Calexico Municipal Code Chapter 5, Business Licenses and Regulations stipulate the way business is to be conducted within the City of Calexico.

Section 5.20.020 refers to "Unspecified Businesses", which is defined as a business that is not specifically covered by the business license chapter or any other ordinance of the City of Calexico. Home Occupation businesses are also referenced under Section 5.20.020, however, no license fee was authorized by Ordinance 686, adopted in 1975.

We are recommending the fee for unspecified businesses, including home occupations, be set at \$25 per quarter, so that the fee is similar to the category of businesses, professions, or occupations listed in Section 5.20.170 Twenty-five dollars per quarter. In some instances, if a business is conducting retail, wholesale/manufacturing, retail food, or new and used automobile sales, the fee will be based on gross receipts.

Pros: Increased business license tax revenue will go to the general fund for general services of the City.

Cons: If the City does not pass this ordinance, the City will miss out on revenues for home occupation businesses that are presently a free license.

Attachment: Ordinance

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
CALEXICO AMENDING CHAPTER 5.20.020 "UNSPECIFIED
BUSINESSES" TO SET THE BUSINESS LICENSE TAX RATE FOR
UNSPECIFIED BUSINESSES, INCLUDING HOME OCCUPATIONS**

WHEREAS, unspecified businesses, including home occupations, are licensed and regulated by the City pursuant to the Calexico Municipal Code; and

WHEREAS, the typical business license issued to unspecified businesses is similar to the category of businesses, professions, or occupations specified in 5.20.170 of the Calexico Municipal Code; and

WHEREAS, the license for home occupations was established in 1975 with no provision for a license fee; and

WHEREAS, the City Council now wishes to set a rate to be charged for operating a home-based business.

NOW, THEREFORE, the City Council of the City of Calexico does ordain as follows:

SECTION 1. That the above-listed recitals are true and correct.

SECTION 2. Chapter 5.20, Section 5.20.020 is hereby amended to read as follows:

"5.20.020 Unspecified Businesses.

- A. For every business, firm or corporation conducting, carrying on or engaging in any business within the city not specifically covered by this chapter or any other ordinance of the city, the license fee shall be the sum of twenty-five dollars per quarter.
- B. "Home Occupations," as defined in Section 17.08.410, means an occupation customarily conducted entirely within a dwelling by the occupant of the dwelling as a secondary use in connection with which there is no display, no stock or trade or commodity sold upon the premises, and no persons employed. The sum of twenty-five dollars per quarter shall be charged for a home occupation license, with the exception of those businesses conducting or carrying on retail, wholesale/manufacturing, retail food, or used and new auto dealers, as specified in other sections of the Calexico Municipal Code for which the license fee is based on gross receipts.

SECTION 3: This ordinance will take effect thirty (30) days after the date of its passage and adoption.

SECTION 4: If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by any court of competent jurisdiction, such decision shall not affect the validity of the remainder of the Ordinance. The Council hereby declares that it would have adopted this Ordinance, and each section, subsection, sentence, clause, phrase or portion hereof, irrespective of that fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

SECTION 5. The City Clerk shall certify to the adoption of this Ordinance and shall cause this ordinance, or a summary thereof, to be published as required by law.

PASSED, APPROVED AND ADOPTED this _____ day of December, 2008.

Louis Fuentes
Mayor

ATTEST:

Lourdes Cordova
City Clerk

APPROVED AS TO FORM:

Jennifer M. Lyon
City Attorney

I, Lourdes Cordova, City Clerk of the City of Calexico and ex-officio Clerk of the Council, do hereby certify under penalty of perjury that the foregoing is a true and correct copy of Ordinance No. _____ that was duly and regularly introduced at a regular meeting of said City Council held on _____, 2008 and was adopted by said City Council at a regular meeting held on _____, 2008, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Lourdes Cordova, City Clerk

5.20.400 Circuses.5.20.410 Circus processions and parades.5.20.420 Other shows and exhibitions.9. SOLICITORS' RATES*Editor's Note5.20.430 Definition.5.20.440 Solicitors from without city.5.20.450 Soliciting orders from merchants excepted.**1. GENERALLY****5.20.010 Established.**

The amount or rate of license fees to be paid to the city by any person, firm, corporation or association engaged in or carrying on any business, show, exhibition or game designated in this title is fixed and established as provided in this chapter. Such license fee shall be paid by every person, firm, corporation or association engaged in carrying on any such business, show, exhibition or game in the city. (Prior code § 2201)

**5.20.020 Unspecified businesses.**

A. For every business, firm or corporation conducting, carrying on or engaging in any business within the city not specifically covered by this chapter or any other ordinance of the city, the license fee shall be the sum of twenty dollars per quarter; except for home occupation, for which there shall be no license fee.

B. "Home occupation," as defined in Section 17.08.410, means an occupation customarily conducted entirely within a dwelling by the occupant of the dwelling as a secondary use in connection with which there is no display, no stock or trade or commodity sold upon the premises, and no persons employed. (Ord. 686 § 2, 1975: prior code § 2202)

5.20.025 Business license administration fee.

A. At the time of submission of application for issuance or renewal of a business license, the applicant shall pay a business administration fee in the amount of twenty dollars.

B. This section is intended to complement and aid in the enforcement of the provisions of this chapter, but this section is not intended to impose any form of taxation in the business community nor to collect in fees more money than is necessary to recover the administrative costs of processing an application for the issuance or renewal of a business license conducting any inspections required to ensure that the business or business premises comply with the provision